

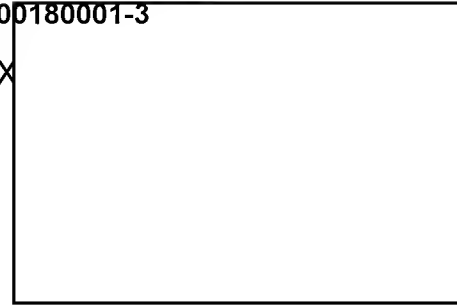


Director of  
Central Intelligence

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# National Intelligence Daily

*Monday*  
*21 May 1979*

State Dept. review completed

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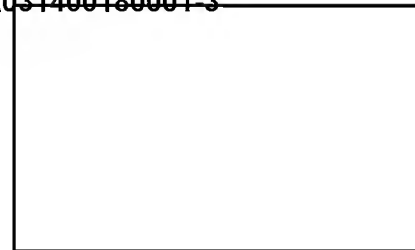
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The Overnight Reports, printed on yellow paper as the final section of the *Daily*, will often contain materials that update the Situation Reports and Briefs and Comments.



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#### OVERNIGHT REPORTS

(The items in the Overnight Reports section have not been coordinated within the intelligence community. They are prepared overnight by the Office of Current Operations with analyst comment where possible from the production offices of NFAC.)

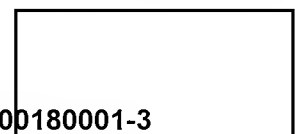
#### France - US - Middle East

A senior official in France's Ministry of Youth, Sports, and Leisure last week informed the US Embassy that he had received "strong indications" of problems for the US over the issue of Israeli participation in the Winter Olympics at Lake Placid, New York, early next year. According to the French official, African and Arab nations are joining forces to exclude Israel from the Winter Olympics. The Africans allegedly are supporting the Arabs because of Israel's sports contacts with South Africa. 

#### Argentina-Chile

The US Embassy in Buenos Aires has reported that the Argentine-Chilean dispute over the Beagle Channel remains tense despite the Papal mediation process. There have been a number of border incidents within the past month, and Argentine President Videla heightened the tension earlier this month with public remarks that Argentina considered all options valid should the mediation effort fail. The Embassy noted that while the Argentine military remains alert to perceived Chilean transgressions, there are no indications that Buenos Aires is backing away from mediation. Recurrent military dissatisfaction with Videla's performance in both domestic and foreign policy may, the Embassy commented, periodically increase pressure on him to show greater toughness toward Chile, but the use of military force is considered unlikely. 

--continued



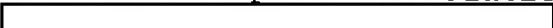
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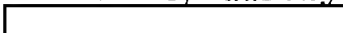


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Mexico-Nicaragua


Mexican President Lopez Portillo yesterday announced that his government is breaking diplomatic relations with Nicaragua; he alleged that "horrendous genocide" had been committed by the Somoza government. Lopez Portillo was meeting with visiting Costa Rican President Carazo, whose government had broken diplomatic relations with Nicaragua last fall. 

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COMMENT: *Mexico's move had long been rumored, as its dissatisfaction with President Somoza on grounds of conscience has been widely reported. Cuban President Castro presumably vigorously encouraged such a step during his talks with Lopez Portillo last week.* 

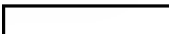
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India

According to a Western news agency dispatch from New Delhi yesterday, former Prime Minister Gandhi--contrary to a statement from her party last week--is not expected to enter the parliamentary by-election contest on 17 June in the southern state of Tamil Nadu. She reportedly would not have had the support--which was previously anticipated--of the head of Tamil Nadu's state government. 

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Romania-Spain

Romanian President Ceausescu arrives in Madrid today for a five-day visit, the first to Spain by a Communist head of state since Spain's return to democracy. 

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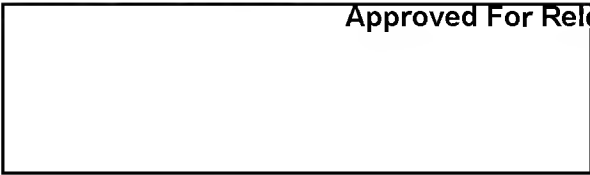


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